

Message Text

PAGE 01 THE HA 03265 280751Z

51

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 INT-05 CIAE-00 INR-07

NSAE-00 /032 W

----- 101900

R 271612Z JUN 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 6185

UNCLAS THE HAGUE 3265

E.O. 11652: N/A

TAGS: EIND, ETRD, XG

SUBJECT: REQUEST FOR ASSESSMENT OF STEEL MARKET
CONDITIONS

REFS: (AL STATE 095936

(B) STATE 097043

(C) HAGUE 2268

(D) HAGUE 2269

1. DUTCH STEEL INDUSTRY IS PRESENTLY CHARACTERIZED BY WEAK DOMESTIC DEMAND, SHORT WORKING HOURS, AND DECLINING FOREIGN ORDERS. DROP IN DUTCH RAW STEEL PRODUCTION WHICH HAS BEEN ALREADY REGISTERED DURING FOUR MONTHS THIS YEAR (ELEVEN PERCENT LOWER THAN SAME PERIOD 1974 ACCORDING TO TRADE SOURCES), AND EXPECTED EC RECOMMENDATION FOR CUT IN DUTCH STEEL PRODUCTION BY 14.8 PERCENT LEAVES LITTLE ROOM FOR OPTIMISM THAT 1975 CRUDE STEEL PRODUCTION WILL REACH 1974 LEVELS. AS UPTURN IN GENERAL ECONOMIC SITUATION IN NETHERLANDS IS NOT ANTICIPATED BEFORE NEXT YEAR, PROSPECTS ARE FOR CONTINUED DEPRESSED STEEL MARKET FOR REST OF 1975. DROP OF AT LEAST NINE PERCENT FROM LAST YEAR, OR TO 5.3 MILLION MT RAW STEEL, IS EXPECTED THIS YEAR.

2. DUTCH PRODUCTION OF ROLLED STEEL AND SEMI FINISHED PRODUCTS IN 1974, ACCORDING TO OFFICIAL STATISTICS, AMOUNTED TO 5.1 MILLION MT, OR 87.7 PERCENT OF TOTAL UNCLASSIFIED

PAGE 02 THE HA 03265 280751Z

RAW STEEL PRODUCTION. AS THIS PERCENTAGE SHARE IS NOT EXPECTED TO CHANGE SUBSTANTIALY, OUTPUT OF ROLLED STEEL AND SEMI FINISHED PRODUCTS IN 1975 SHOULD AMOUNT TO APPROXIMATELY 4.6 MILLION MT.

3. CAPACITY: AVERAGE CAPACITY UTILIZATION IN 1974 WAS ABOUT 95 PERCENT. MINISTRY OF ECONOMIC AFFAIRS ESTIMATES CAPACITY UTILIZATION IN 1975 WILL BE IN NEIGHBORHOOD OF 75 PERCENT.

4. CONSUMPTION, EXPORTS: APPARENT DOMESTIC CONSUMPTION OF RAW STEEL (INCLUDING INVENTORY CHANGES OF INDUSTRY AND TRADE) AMOUNTED TO 4.5 MILLION MT IN 1974. STEEL INDUSTRY OFFICIALS HAVE INFORMED US THAT 1975 CONSUMPTION WILL DROP BY AT LEAST THREE PERCENT TO A LEVEL OF ABOUT 4.4 MILLION MT. IMPORTS AND EXPORTS OF RAW STEEL IN 1974 (EXCLUSIVE OF PIPE AND WIRE PRODUCTS) AMOUNTED TO 4.6 MILLION MT AND 5.8 MILLION MT RESPECTIVELY. NO IMPROVEMENT IN PRESENT LOW LEVEL OR ORDERS IS EXPECTED FOR REST OF 1975.

5. PRICES: ACCORDING TO NATIONAL STEEL INDUSTRY REPRESENTATIVES, PRICES OF RODS FOR REINFORCED CONCRETE AND COLD ROLLED STEEL PLATE DURING FIRST QUARTER 1975 HAVE DROPPED BY THIRTY TO FORTY PERCENT FROM SAME PERIOD 1974. FURTHER DROP IS THOUGHT TO BE UNLIKELY, AND PRICES ARE EXPECTED TO STABILIZE AT PRESENT LEVEL.

6. SCRAP: NETHERLANDS BY TRADITION IS NET SCRAP EXPORTER. IMPORTS REGISTERED ARE MAINLY TRANSIT TRADE TO GERMANY. LAST YEAR'S EXPORTS AND IMPORTS OF STEEL AND CAST IRON SCRAP AMOUNTED TO 1.3 AND 0.15 MILLION MT RESPECTIVELY. IMPORTS OF IRON AND STEEL SCRAP FROM US IN 1974 WERE LESS THAN ONE THOUSAND MT. INFORMATION ON SCRAP STOCKS IS NOT AVAILABLE.

7. TABLE WHICH FOLLOWS SHOWS QUARTERLY STATISTICS FOR 1974 CRUDE STEEL, ROLLED STEEL AND SEMI FINISHED PRODUCTION IN NETHERLANDS, CONSUMPTION AND STOCKS OF STEEL IN METAL WORKING INDUSTRY, AND EXPORTS OF IRON AND STEEL TO US. ALL FIGURES ARE IN THOUSAND MT.
UNCLASSIFIED

PAGE 03 THE HA 03265 280751Z

STEEL CONSUMPTION			
	RAW STEEL	ROLLED STEEL	METAL-WORKING
YEAR QUARTER	PRODUCTION	PRODUCTION	INDUSTRY
1974 I	1,512.5	1,374.7	455.0
II	1,393.5	1,338.3	484.5
III	1,403.8	1,283.8	419.1
IV	1,529.9	1,125.1	455.2
YEAR	5,839.7	5,121.9	1,138.8
1975 8	1,432.5	1,841.0	

STOCKS OF STEEL	
METAL WORKING	IRON & STEEL

YEAR	QUARTER	INDUSTRY	EXPORTS TO US
------	---------	----------	---------------

1974	8	384.3	9.6
	II	415.4	142.6
	III	448.2	210.6
	IV	441.0	167.2
	YEAR	1,688.9	530.0

GOULD

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, INDUSTRIAL PRODUCTION, STEEL
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975THEHA03265
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750224-1037
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750699/baaaafch.tel
Line Count: 119
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION COM
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2003 by PhilliR0>; APPROVED <21 JAN 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 971105
Subject: n/a
TAGS: EIND, ETRD, XG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006